

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 14, 2011**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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**Applicant:** City of Los Angeles

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**Allocation Amount Requested:**  
**Tax-exempt:** \$11,000,000

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**Project Information:**  
**Name:** Taylor Yard Apartments  
**Project Address:** 1545 San Fernando Road-Lot 3  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90065

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**Project Sponsor Information:**  
**Name:** Taylor Yard, L.P. (MBA Development Corporation and New Economics for Women)  
**Principals:** Tony M. Salazar for MBA Development Corporation and Magdalena Cervantes for New Economics for Women  
**Property Management Company:** McCormack Baron Ragan Management Services

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Citi Community Capital  
**TEFRA Hearing Date:** August 12, 2011

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 67, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family

The proposed Project will be a mix of townhomes over flats in a 3-story walk-up building. The Project will target families with one-bedroom, two bedroom and three-bedroom plan types. Additionally, the Project is part of the Taylor Yard Transit Village.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
52% (35 units) restricted to 50% or less of area median income households.  
48% (32 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

High-speed internet will be provided at no cost to tenant in each unit of a on-going nature.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	21,213,789	
<b>Estimated Hard Costs per Unit:</b>	\$	112,627	(\$7,546,000 /67 units)
<b>Estimated per Unit Cost:</b>	\$	316,624	(\$21,213,789 /67 units)
<b>Allocation per Unit:</b>	\$	164,179	(\$11,000,000 /67 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	164,179	(\$11,000,000 /67 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 3,500,000
LIH Tax Credit Equity	\$ 1,841,000	\$ 7,364,000
Direct & Indirect Public Funds	\$ 8,372,789	\$ 10,349,789
<b>Total Sources</b>	<b>\$ 21,213,789</b>	<b>\$ 21,213,789</b>

<b>Uses of Funds:</b>	
Acquisition	\$ 1,935,774
New Construction Costs	\$ 12,656,492
Architectural	\$ 815,266
Survey & Engineering	\$ 50,000
Contingency Costs	\$ 1,061,223
Construction Period Expenses	\$ 1,444,034
Permanent Financing Expenses	\$ 80,000
Legal Fees	\$ 235,000
Capitalized Reserves	\$ 305,000
Reports & Studies	\$ 90,000
Other (Marketing, etc)	\$ 1,141,000
Developer Costs	\$ 1,400,000
<b>Total Uses</b>	<b>\$ 21,213,789</b>

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**Description of Financial Structure and Bond**

Citibank, N.A. will be providing construction and permanent financing for this Project. During the construction phase the variable rate will equal SIFMA plus a spread of 3.25% including 5bps servicing fee. Rate adjust weekly. During the permanent phase the fixed rate will be equal to the sum of 1 year maturity "AAA" bond rates as published by Thompson Municipal Market Monitor plus a spread of 3.25%. Currently this works out to be an indicate rate of 6.64%

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**Analyst Comments:**

Not Applicable

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**Legal Questionnaire:**

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

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**Total Points:** 86.1 out of 118

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$11,000,000 in tax exempt bond allocation on a carryforward basis.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	6.1
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	5
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>86.1</b>

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.